

## [ Acts No. 4272, November 14, 1935 ]

### **AN ACT GRANTING A FRANCHISE TO "ILOILO-NEGROS AIR EXPRESS COMPANY, INC.," TO OPERATE AN AIR TRANSPORT SERVICE IN THE PHILIPPINES, AND FOR OTHER PURPOSES.**

*Be it enacted by the Senate and House of Representatives of the Philippines in Legislature assembled and by the authority of the same:*

SECTION 1. There is hereby granted to "Iloilo-Negros Air Express Company, Inc.," hereinafter referred to as the grantee, a franchise for the transportation of passengers, mail, and property by means of aircraft in or between the following provinces: Manila, Iloilo, Mindoro, Occidental Negros, Cebu, Zamboanga, Oriental Misamis, and Davao. Manila shall be understood to mean the City of Manila or any point near the same.

SEC. 2. Excepting cases of *force majeure* and whenever weather conditions permit, the grantee shall maintain a regular air service between Manila and the capitals of the Provinces of Iloilo and Occidental Negros, with not less than two regular round trips weekly, and on the other lines with at least one regular round trip every two months.

SEC. 3. The grantee shall fix just, reasonable, and uniform rates for the transportation of passengers and freight, subject to the supervision and approval of the Public Service Commission. Any order of the Public Service Commission made under this section shall be subject to review by the Supreme Court in the same manner as the decisions of said Commission in other cases.

All aircraft used by the grantee shall be licensed by the Philippine Government and, together with its accessories and equipment, shall be at all times modern, safe and first and class; it shall be provided with a radio transmitting set and, whenever the voyage is in excess of three hours, it shall carry a pilot and an assistant and shall have as many life preservers as there shall be passengers.

The service and equipment of the grantee shall be at all times subject to inspection and supervision by the Department of Public Works and Communications whose decisions shall be binding until revoked or annulled by the courts for excess or abuse of jurisdiction.

The grantee shall comply with the provisions of Act Numbered Thirty-nine hundred and nine, as amended by Act Numbered Thirty-nine hundred and ninety-six, and the regulations promulgated thereunder from time to time.

SEC. 4. Subject to such terms and Conditions as the Philippine Government may prescribe, the grantee may use such landing and replenishment facilities on land or water as may be maintained or owned by the Government within the Philippines or the grantee's lines, excepting those which, in the opinion of said Government, may not be used by the grantee because of military or naval considerations, and, reciprocally, the Philippine Government shall have the right to use the landing and replenishment facilities on land or water maintained or owned by the grantee in the Philippines.

SEC. 5. The grantee shall have the right, at its terminals and landing fields, as well as in its aircrafts, to construct, operate and maintain stations or transmitting sets for wireless telegraphy and direction finding, and other radio aids to air navigation using such wave lengths as shall be in accordance with the rules and regulations made from time to time by the Philippine Government; but the wireless communication facilities shall be used solely for receiving and transmitting weather forecasts and messages relating to the grantee's aircraft and other matters in connection with the grantee's services.

SEC. 6. The grantee is authorized to enter into transportation contracts with the Philippine Government, including the carrying of mail, upon terms and conditions to be mutually agreed upon. In the absence of an agreement, the rates shall be fixed by the Public Service Commission. The grantee shall give preferential attention to contracts with the Philippine Government.

SEC. 7. In case of war, insurrection, domestic trouble, public calamity or national emergency, the Philippine Government, upon order of its Chief Executive, shall have the right to take over and operate the equipment of the grantee, paying for such use or damages.

SEC. 8. The grantee shall be subject to the laws of the Philippines now existing or hereafter enacted.

SEC. 9. With the approval of the Chief Executive of the Philippine Government, and subject to the limitations and procedure prescribed by law, the grantee shall be authorized to exercise the right of eminent domain as may be reasonably necessary for its stations, landing fields, hangars, docks, ramps, wireless stations and other structures in connection with the grantee's activities.

No private property shall be taken for any purpose by the grantee without proper condemnation proceedings and just compensation paid or tendered therefor, and any authority to take and occupy land contained herein shall not apply to the taking, use or occupation of any land except such as is required for the actual purposes for which this franchise is granted.

SEC. 10. The grantee shall not issue stock or bonds except in exchange for actual cash or for property at least equal in value to the par value of the stock or bonds so issued, and shall not declare stock or bond dividends.

SEC. 11. It shall be unlawful for the grantee to use, employ, or contract for the labor of persons held in involuntary servitude.

SEC. 12. The grantee shall hold the Insular, provincial, and municipal governments of the Philippines harmless from all claims, accounts, demands, or actions arising out of accidents or injuries, whether to property or to persons, caused by the operation of the service under the franchise hereby granted.

SEC. 13. In consideration of the franchise and rights hereby granted, the grantee shall pay to the Insular Government during the first ten years of the life of this franchise a tax of one per cent of the gross revenue received by the grantee from its operation under this franchise; and during the last fifteen years of the life of this